

DEPARTMENT OF CHILDREN
AND FAMILIES
Secretary Eloise Anderson
201 East Washington Avenue, Room G200
P.O. Box 8916
Madison, WI 53708-8916
Telephone: 608-266-8684
Fax: 608-261-6972
www.dcf.wisconsin.gov



State of Wisconsin
Governor Scott Walker



TO: **W-2 Agencies
Training Staff**

FROM: Margaret McMahon, Director
Bureau of Working Families
Division of Family and Economic Security
Department of Children and Families

BWF OPERATIONS MEMO

No: 16-10

DATE: 07/27/2016

W-2	<input checked="" type="checkbox"/>	EA	<input type="checkbox"/>	CF	<input type="checkbox"/>
JAL	<input type="checkbox"/>	RAP	<input type="checkbox"/>	Other EP	<input type="checkbox"/> *

SUBJECT: Modernizing CARES Work Programs Subsystem – W-2 Contractor Payment Structure 2013-2016 Changes

CROSS REFERENCE: Administrator's Memo [16-02](#): Modernizing the CARES Work Programs Subsystem
Operations Memo [16-05](#): W-2 Contractor Payment Structure 2013-2016 Contracts
Operations Memo [16-08](#): Modernizing CARES Work Programs Subsystem – CMF and CMU Placement Policies and Systems Changes
Operations Memo [16-11](#): Modernizing CARES Work Programs Subsystem – Updated Wisconsin Works Backdating and Future-Dating Policy
[W-2 Contractor Payment Structure](#)

EFFECTIVE DATE: June 25, 2016

PURPOSE

The purpose of this memo is to:

1. Announce changes to the current W-2 Contractor Payment Structure;
2. Inform W-2 agencies of the actions they must take to make a claim for a case that has closed due to failing to meet nonfinancial eligibility; and
3. Address other policy changes that may have an impact on Performance Outcome Payments (POP).

BACKGROUND

As outlined in Administrator's Memo [16-02](#), the Department of Children and Families' (DCF) goal is to modernize the CARES WP subsystem from a mainframe system to a web-based application. One project in this effort focuses on moving case-based CARES WP screen information and system functions to CARES Worker Web (CWW). This is one memo in a series of memos describing the changes to CWW, any related policy changes, and reminding W-2 agencies of the actions that they must take in order to prepare for the changes.

This particular memo focuses on changes made to the W-2 Contractor Payment Structure and the actions agencies must take to initiate a claim for cases that have closed for failing to meet nonfinancial eligibility. As outlined in Operations Memo 16-08, the Bureau of Working Families (BWF) updated Case Management Follow-up (CMF) placement policies to align with state statute and made systems changes accordingly. Operations Memo 16-11 addresses the impact of updates to the future begin and end dating policy on the POP structure. Understanding these ensures that agencies are able to receive Performance Outcome Payments (POP) for assisting participants in obtaining unsubsidized employment.

POLICY AND W-2 CONTRACTOR PAYMENT STRUCTURE CHANGES

CURRENT CMF PLACEMENT POLICY:

A W-2 participant that obtains employment while participating in W-2 and transitions to a CMF placement is allowed to receive case management services regardless of whether he or she meets W-2 financial and nonfinancial eligibility requirements.

CMF PLACEMENT POLICY CHANGE:

Effective June 25, 2016, BWF adjusted CMF placement eligibility requirements and case review processes to align with state statute. Participants in CMF placements must meet all nonfinancial eligibility requirements in order to remain open in the CMF placement and receive ongoing case management services. (See Operations Memo 16-08)

As outlined in Operations Memo 16-08, CARES ends W-2 CMF placements after 12 months of case management services effective June 25, 2016. More specifically, if a CMF participant does not meet W-2 nonfinancial eligibility requirements and the Financial and Employment Planner (FEP) has not ended the W-2 episode, which will end the placement, CWW will auto-end-date the CMF placement and the W-2 episode on the last day of the month that the case was eligible.

CURRENT PAYMENT STRUCTURE:

Currently system functionality does not allow the initiation of a POP claim if an individual is not open in a W-2 placement, which includes CMF, on the claim initiation date. To initiate a POP claim, the participant or the other parent in a two-parent household must be open on the claim initiation date in a W-2 placement.

PAYMENT STRUCTURE CHANGE:

- **Note:** The following W-2 Contractor Payment Structure document is now located on the Department's internet website at: <http://dcf.wisconsin.gov/files/w2/contracts/pop-doc.pdf>. Changes are tracked in that document.

Changes to the W-2 Contractor Payment Structure allow W-2 agencies to initiate employment POP claims for cases that have a closed W-2 episode for failure to meet nonfinancial eligibility and the participant:

1. Was open in a W-2 placement one day prior to Primary Employment Begin Date (PEBD) that closed for nonfinancial reasons after June 25, 2016, and
 - a. That placement was part of the same episode that ended when W-2 closed for nonfinancial reasons, and
 - b. The participant was placed in a CMF placement for less than 12 months; or
2. Was open in a W-2 placement one day prior to Primary Employment Begin Date (PEBD) that closed for nonfinancial reasons after June 25, 2016, and
 - a. Has a valid Date of Change due to a change in hours or wages within 180 days of PEBD, and
 - b. The participant was in a CMF placement for less than 12 months.

(See W-2 Contractor Payment Structure, pages 8, 10, and 13)

- **Note:** Automation changes to support the payment structure change outlined above are scheduled for Fall 2016.

CLARIFICATION OF EMPLOYMENT VERIFICATION REQUIREMENTS RELATED TO POP CLAIMS

FEPs may change a participant's placement to CMF upon verbal notification of a job start from the participant. ([W-2 Manual, 7.2.3.1](#)) However, agencies are still required to collect employment documentation to verify the employment and support POP claims. If the documentation received by the agency does not verify the information entered on WPEL based on the verbal notification, the agency must delete the erroneous employment record on WPEL and enter a new record on WPEH for the employment. Agencies must not initiate a POP claim in WPOP until they have all the necessary documentation to support a claim, and have scanned the documentation into the Electronic Case File under the POPD code.

AGENCY ACTION

The automation to support the initiation of a POP claim for a CMF placement that automatically closes for nonfinancial eligibility reasons will not be in place until Fall 2016. Therefore, it is the responsibility of the W-2 agencies to track POP claims that they cannot initiate due to the system automatically closing the CMF case for nonfinancial reasons. BWF will notify W-2 agencies when it has completed this system change. Once the system change is complete, the W-2 agencies will be able to initiate these claims using the same procedures they used prior to the CMF changes that went into CWW on June 25, 2016.

CONTACTS

For W-2 Policy Questions in the Balance of State: Bureau of Regional Operations, W-2 Regional Coordinators

For W-2 Policy Questions in Milwaukee: Milwaukee Operations Section Regional Administrators

For W-2 CARES Processing Questions: W-2 Help Desk

For Performance Outcome Payment Questions: Jason Bergh

DCF/DFES/BWF/JB